



## Caltrans Statewide Small Business Council Minutes of Meeting – January 20, 2006

Caltrans, Office of Civil Rights  
1823 14<sup>th</sup> Street, Room 207  
Sacramento, CA 95814  
Telephone: (916) 324-0449

### Statewide Council Members Present:

**Paul Guerrero**, California Small Business Entrepreneurs, Inc.  
**K.C. Chaudhary**, CELSOC  
**Eddy Lau**, Asian American A&Es, SFO  
**Rebecca Llewellyn**, WCOE  
**William Yang**, Asian-Am A&Es – So Cal  
**Ezekiel Patten**, Black Business Association  
**Raul Fernandez**, Filipino-Am Society of A&Es- So Cal  
**Fred Jordan**, S.F. Black Chamber of Commerce  
**Ed Tong**, Asian Inc.  
**Sam Hassoun**, Global Leadership Alliance  
**Jeffrey Lee Jackson**, American Indian Apprenticeship  
**Dennis Trinidad**, Small Business Advocate, Governor's Office  
**Johnathan Hou**, Asian Business Assoc.  
**Steve Sullivan**, CA DVBE Alliance

### Caltrans Staff Present:

**Will Kempton**, Director  
**Randell Iwasaki**, Chief Deputy Director  
**Olivia Fonseca**, Chair  
**Bijan Sartipi**, District 4 Director  
**Angel Carrera**, Civil Rights  
**Janice Salais**, Civil Rights  
**Steve Schoff**, DES  
**Kevin Pokrajac**, Local Assistance  
**Cris Galia**, DPAC  
**Vicki Zuppan**, Local Assistance  
**Diane Scherbenske**, Civil Rights  
**Ginger Williford**, Project Management  
**Esther Vicente**, District 4  
**Nancy Mogote**, District 12  
**Steve Alston**, DPAC  
**Nellie Richardson**, District 11  
**Sonny Smith**, District 7

### Guest Present:

**Ali Altaha**, Arab American Chamber  
**Don Zweifel**, DVBE Resource Center  
**Mark Owen**, CA DVBE  
**Peter Ramirez**, DVBE Construction Contractor,  
**Pat Padilla & Alma Banuelos**, Padilla & Associates  
**Sarah Davis**, GCAP  
**Leann Androvich**, GCAP  
**Russell Snyder**, AGC  
**Gene Golliet**, CA DVBE Alliance

### ***Welcome/Introductions/Opening Remarks:***

Council Chair Fonseca, opened the meeting by acknowledging the new and challenging year and welcomed members and guests. Introductions were made around the room. She thanked everyone for committing an extra day to the Planning Sessions held the day before. All rooms were filled with members and Caltrans staff and everyone was quite busy. Special acknowledgements were given to Mr. Dennis Trinidad, Small Business Advocate, Governor's Office and Russell Synder, Associated General Contractors (AGC). Mr. Synder thanked the Chair for the meeting invitation. He indicated the AGC acknowledges the strength of small business and indicated the newly appointed AGC President, Mark Lindquist is a great supporter of small businesses. In addition, Mr. Synder indicated, the AGC position for its membership is that while Caltrans is seeking information to support the DBE Program, it is "business as usual" for its membership and to continue seeking and utilizing DBEs on contracts. Mr. Trinidad provided an update on small business activities he is engaged in. He is attending the February 13, 2006 Small Business Administration (SBA) Matchmaking event in Oakland. The SBA anticipates over 500 small business owners in attendance to meet with about 150 vendors, representing private sector and State and Federal agencies. In addition, May 17, 2006 has been designated Small Business Recognition Day by the Governor. An event will be held at the Sacramento Convention Center. The SBA and State government agencies have pledged \$400 million in procurement opportunities. Councilmember Lau, reminded Mr. Trinidad of his concern that micro businesses are not traditionally included in large capital projects and efforts should be made to reduce the contract size for better inclusion. Mr. Trinidad acknowledged the challenge that micro businesses face and committed to making sure micro businesses are included and opportunities exist for smaller size businesses. Guest Ali Altaha agreed with Councilmember Lau and added that A&Es have the same challenges plus the challenges of obtaining and working on government contracts. He indicated there are many obstacles in the contract process for small businesses to compete. Mr. Altaha asked Mr. Trinidad if he has data on the number of small businesses who have obtained A&E contracts as a prime in all government contracts. Mr. Trinidad indicated he was not an expert on the State contract process and does not have data on who or what percentage of A&E contracts go to small businesses. Guest Gene Golliet indicated not all businesses attend government events and they are limited in manpower to send representatives, so what would compel businesses to attend the Governor's event? Councilmember Hou indicated Caltrans has a good model in providing procurement fairs. Mr. Trinidad, indicated the event will have a similar format to the Caltrans procurement fairs, so the draw to small and micro businesses are the actual procuring that will take place.

### **ITEM #1: Approval of the November 18, 2005 SB Council Minutes**

Councilmember Lau, indicated the minutes need corrections on page 4, items 2, 3, 4 and 5. Corrections so noted and the minutes will be corrected. The November 18, 2005 meeting minutes will be corrected and voted on at the February 17, 2006 meeting.

### **ITEM # 2: Update on the DBE Program**

Angel Carrera provided the update on the efforts Caltrans is making during the 45-day public comment period on the DBE program. The public notice was issued on December 21, 2005, (see publication list) public forums are being held statewide (see handout on forum schedule). Forums have been held in District 4, 3, 10, 6 and 2. The public comment period ends on February 3, 2006. The public is providing antedoctal information at the events. Caltrans will be releasing a Request for Proposal to complete a statewide Disparity Study. A couple of Councilmembers will be reviewing the scope of services and providing input. Several members shared their knowledge of disparity studies that currently exist. Caltrans has copies of disparity studies for Minnesota, Nebraska, Colorado, Washington and Alameda County. There was open discussion from all Councilmembers on the challenges the 9<sup>th</sup> Circuit Court of Appeals ruling has placed on

California. Councilmember Yang gave support to Caltrans on its efforts to obtain the necessary information to continue a race-conscious program. He indicated he heard other States are taking the easy road and immediately changing to a race-neutral program without inviting input from the community. He applauds Caltrans efforts and said we are all together on this. He also indicated the Metropolitan Transit Authority completed a Disparity Study. Councilmember Llewellyn indicated it is important to get people to testify at the forums and provide written comments with evidence of discrimination because switching to a race-neutral program will be a mess. Chair Fonseca indicated the public notice has the address and email address to submit comments. Councilmember Jordan indicated the Oakland forum was well attended but could have been better if the meeting were held in the evening. Mr. Carrera indicated Caltrans heard the same concern and has scheduled an evening event in Oakland January 24. Guest Synder indicated he too heard the Oakland event was well attended. Councilmember Jordan asked how many disparity studies have been completed in California. Chair Fonseca indicated that number was not well known, however, Caltrans research indicates only one disparity study has been completed since 2000 and that one is the County of Alameda. Councilmember Hou asked if there are any studies on Federal Transit, Light Rail or anything similar to rail. Chair Fonseca indicated none of the studies she has reviewed reference transit, rail or airport contracting. The Federal Highway Administration lists national disparity studies on their web site, most of which were completed between 1973 and 1996. Mr. Trinidad asked if 45 days is enough time to have the business community respond to such a great endeavor. Chair Fonseca, indicated the federal regulations provide the time period for comment, however, the Director has the option to increase the time. Based on the commenters, they are asking for an extension and this information has been shared with the Director. Councilmember Patten indicated the Black Business Association placed in article in their newspaper and he knows the District 7 forum will be well attended.

### **ITEM #3: District Updates and Update on SR 125 Project**

**District 11:** Nellie Richardson provided an update and indicated the District is hosting a Procurement Fair on March 7, 2006 at Balboa Park. The DBE Public Forum is January 24th at the Four Seasons Hotel. The Toll Road Committee met. Councilmember Jackson indicated CTV has said they have a DBE paving contractor, but he doesn't have the name. Councilmember Lau asked if the DBE paving contractor has been confirmed because typically CTV says they have DBE participation, but the name is never given. Councilmember Jackson said he didn't know. He indicated the project is still not reaching the DBE goals and recently heard the subcontractor has already switched its DBE program to race-neutral. Chair Fonseca indicated she received an email and the information indicated CTV and ORC have reached the goals and all future activities would be race-neutral since the goals have been met. Chair Fonseca indicated she would contact CTV and ask that they attend future Council meetings to provide updates and reports as requested at the November 2005 Council meeting.

**District 4:** Esther Vicente provided the update and indicated the District is planning a Procurement Fair in April 2006. The last Procurement Fair had 70 businesses attend and the goal for this event is to double that amount. The District will be hosting quarterly small business outreach sessions to share information on upcoming contracts and Look Ahead contracts for A&Es. Councilmember Jordan asked if the business associations could co-sponsor the Fair and quarterly events so that the events will have more attendees. District 4 Director Sartipi said that was a good idea and would suggest this at the next District 4 Small Business Council meeting.

**District 7:** Sonny Smith provided the update and indicated the District is planning a Procurement Fair this spring. The DBE Public Forum is January 23rd. The District 7 Small Business Council continues to meet and is still active on the A&E Mentor Protégé pilot.

**District 12:** Nancy Mogote provided the update and indicated the District held its first Procurement Fair in October and it was successful. Small Businesses appreciated the opportunity to meet with buyers and some businesses told her they have attended Procurement Fairs in District 7 and 11 as well.

**Action Needed: Chair to invite CTV to attend Council meetings. District 4 to consider having associations co-sponsor Procurement Fair and quarterly outreach sessions.**

### **Special Presentation:**

Director Kempton and Chief Deputy Director Randell Iwasaki joined the meeting. Director Kempton shared his passion to continue a DBE race-conscious program. His desire is that sufficient evidence will be gathered during this public comment period to continue our current program. During this difficult time, Caltrans continues to set individual DBE contract goals, and it is business as usual. Caltrans will continue to administer a successful DBE program. Caltrans has taken the lead to invite input and engage the community. A disparity study will be commission to sustain the DBE Program and any potential legal challenge. Councilmembers repeated for Director Kempton comments made earlier in the DBE Update discussion. See Agenda Item 2.

### **ITEM #4: Committee Updates**

#### COMMODITIES:

Councilmember Patten reported and indicated Councilmember Stephan McGlover continues to be the Commodities Chair. He thanked Cris Galia, Sonny Smith, Robert Padilla and Janice Salais for their involvement. He is glad the Governor's Office sees the value of the Caltrans Procurement Fair approach and hopes the Department of General Services will follow suit. See Action Item listing for the 2006 Commodities Committee goals.

#### PROFESSIONAL SERVICES:

Councilmember Lau reported and indicated he continues to be the Professional Services Committee Chair. He thanked Steve Alston and staff for attending the Professional Services Committee meeting. The meeting was very productive and remarkable improvements have already been made. Councilmember Lau shared that Caltrans provided a tracking sheet of 70 contracts. 30% of the contracts are completed, 40-45% met or exceeded the goal and about 50% did not meet the goal. The data was also alarming because it shows a large percentage of A&E contracts are not achieving the original DBE award and commitment goal. Councilmember Lau indicated DPAC is looking to reverse this trend by requiring annual evaluations, make the Caltrans contract manager more accountable, require final utilization, check on substitutions and require better monitoring. The data can be useful for the disparity study. See Action Item listing for the 2006 Professional Services Committee goals.

#### CONSTRUCTION

Councilmember Llewellyn reported and indicated she continues to be the Construction Committee Chair. The theme for the Construction Committee is "Caltrans is the Customer of Choice." She thanked Angel Carrera, Gene Mallett and Christine Inouye for their involvement. See Action Item listing for the 2006 Construction Committee goals.

## DBE ANNUAL GOAL Subcommittee

Councilmember Paul Guerrero reported and indicated he continues to be the DBE Annual Goal Subcommittee Chair. Councilmember Guerrero provided an illustration on how Caltrans establishes the annual DBE goal. The indication was that Caltrans needs to reconsider the nonDBE business factor when determining willing, ready and able. See Action Item listing for the 2006 DBE Annual Goal Subcommittee goals.

Councilmember Guerrero asked if the Director will be holding Executive Committee meetings. Chair Fonseca explained the Director is aware of the request and has committed to hold some Executive Committee meetings throughout the year. Chair Fonseca will ask the Director to schedule the first Executive Committee meeting as soon as possible. She assured everyone the Director receives and review the meeting minutes and the Committees action item listings.

### **ITEM #5: Public Comment/Good of the Order**

Chair Fonseca opened the 2006-meeting schedule for discussion. A presumption was made that the meetings will be held on the third Friday of each month from 10 a.m. to 1 p.m. A Motion to meet the third Friday of the month from 9 a.m. to noon was made by Councilmember Patton and seconded by Councilmember Lau. After a brief discussion, the Motion was passed.

Chair Fonseca directed all members to the handouts in the folder and discussed the travel expense claim form and instructions. As a reminder, Caltrans **maximum** reimbursements are: \$89 plus tax for airfare, \$84 plus tax for lodging, \$24 per day for rental car, \$6 for breakfast, \$10 for lunch, \$18 for dinner and \$6 for incidentals. Caltrans Accounting uses the 24-hour clock to assess when meals and incidentals are provided. The travel expense claims are required for reimbursement. Submit the claims monthly.

Guest Don Zweifel shared his support and that of the DVBE Resource Center for the continuance of the DBE race-conscious program.

### **Next Meeting**

February 17, 2006. With no further business before the Council, the meeting adjourned at 12:50 p.m.

**Approved by:**

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**OLIVIA FONSECA**  
**Deputy Director**  
**Civil Rights**